

Message Text

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DRAFTED BY L/ARA:DAGANTZ

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FM SECSTATE WASHDC

TO AMEMBASSY LIMA IMMEDIATE

C O N F I D E N T I A L STATE 275595

EXDIS

E.O. 11652: GDS

TAGS: EFIN, BDIS, PE

SUBJECT: GREENE SETTLEMENT - DISTRIBUTION OF PROCEEDS

1. ON DECEMBER 16 DEPT CERTIFIED TO DEPARTMENT OF TREASURY
THE FOLLOWING AMOUNTS FOR PAYMENT WITH INTEREST TO QUALIFIED
CLAIMANTS UNDER THE TERMS OF THE US-PERU CLAIMS AGREEMENT OF
FEBRUARY 19:

BROWN & ROOT, OVERSEAS, INC.	\$100,000
CARGILL INCORPORATED	\$1,300,000
CERRO CORPORATION	\$10,000,000
ESSO STANDARD	\$22,000,000
(INTER-AMERICA) INC.	
GENERAL MILLS, INC.	\$1,200,000
GOLD KIST, INC.	\$600,000
H. B. ZACHRY COMPANY	\$1,200,000
INTERNATIONAL PROTEINS CORP.	\$8,900,000
MORRISON-KNUDSEN COMPANY, INC.	\$2,000,000
STANDARD OIL COMPANY OF CALIF.	\$2,200,000
STARKIST FOODS, INC.	\$7,300,000

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W. R. GRACE & CO. \$19,200,000

WE ANTICIPATE DISTRIBUTING THE CHECKS ON DECEMBER 18 OR 19.

2. DEPT DOES NOT PLAN TO ISSUE IMMEDIATE PRESS STATEMENT CONCERNING DISTRIBUTION OF PROCEEDS, AND WE HAVE ASKED ALL

CLAIMANTS TO AVOID ANY UNNECESSARY PUBLICITY. WE ASSUME THAT IN MOST CASES CLAIMANTS WILL FEEL NO NEED TO MAKE PUBLIC STATEMENT, AND THAT INFORMATION REGARDING DISTRIBUTION WILL APPEAR, IF AT ALL, IN 1974 ANNUAL STATEMENTS WHICH WILL NOT BE ISSUED UNTIL WELL AFTER THE FIRST OF THE YEAR. HOWEVER IN SEVERAL CASES, PROBABLY INCLUDING EXXON, CERRO AND GRACE, COMPANIES WILL WISH TO INDICATE THAT DISTRIBUTION HAS BEEN MADE SHORTLY AFTER RECEIPT OF THE CHECK. THUS, WE ANTICIPATE THAT DISTRIBUTION WILL BE PUBLIC WITHIN A FEW DAYS AFTER IT IS MADE. AT THAT TIME THE DEPARTMENT PLANS TO ISSUE STATEMENT ALONG LINES PARA 3 BELOW.

3. QUOTE: THE DEPARTMENT OF STATE, ACTING UNDER THE AUTHORITY OF SECTION 547 OF TITLE 31 OF THE U.S. CODE, HAS DISTRIBUTED THE \$76 MILLION RECEIVED FROM THE GOVERNMENT OF PERU UNDER THE AGREEMENT OF FEBRUARY 19, 1974, WITH INTEREST. A LIST OF RECIPIENTS AND THE AMOUNTS RECEIVED BY EACH IS ATTACHED. UNDER ARTICLE 3 OF THE AGREEMENT, THE DISTRIBUTION OF THE PROCEEDS IS THE SOLE RESPONSIBILITY OF THE U.S. GOVERNMENT. THE ELIGIBLE CLAIMANTS WERE DETERMINED BY THE DEPARTMENT IN ACCORDANCE WITH THE TERMS OF THE AGREEMENT. ALL THE AMOUNTS HAVE BEEN AGREED TO BY THE RECIPIENTS. END QUOTE.

4. WE BELIEVE IT IMPORTANT THAT GOP NOT BE CAUGHT BY SURPRISE AS SOME OFFICIALS MAY BE ASSUMING THAT DISTRIBUTION WILL NOT BE MADE UNTIL FEBRUARY 19, 1975. ON THE OTHER HAND, WE DID NOT WISH THE GOP TO BE INFORMED UNTIL WE WERE IN A POSITION TO RESPOND TO A POSSIBLE REQUEST FOR DELAY BY INDICATING THAT NO SUCH DELAY WAS TECHNICALLY POSSIBLE. CONSEQUENTLY, CHARGE SHOULD SEEK MEETING WITH GARCIA BEDOYA OR OTHER HIGH OFFICIAL AT HIS DISCRETION ON DECEMBER 17 OR 18 TO INFORM GOP THAT DISTRIBUTION IS CONFIDENTIAL

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BEING MADE. WE WOULD SUGGEST GOP BE GIVEN A LIST OF THE CLAIMANT COMPANIES AND A COPY OF THE STATEMENT WE WILL USE, AND THAT FOLLOWING POINTS BE MADE: (A) ON DECEMBER 18 OR 19 DEPT OF STATE WILL BE ISSUING CHECKS TO THE TWELVE US COMPANIES WHICH HAVE QUALIFIED AS CLAIMANTS UNDER THE TERMS OF THE AGREEMENT OF FEBRUARY 19, IN ACCORDANCE WITH THE LIST; (B) THE US GOVERNMENT PLANS NO

STATEMENT UPON DISTRIBUTION, BUT WHEN IT RECEIVES
QUESTIONS CONCERNING FACT OF DISTRIBUTION AND CLAIMANTS
IT WILL ISSUE A BRIEF STATEMENT ACCOMPANIED BY A LIST OF
THE CLAIMANTS AND THE AMOUNTS RECEIVED BY EACH; (C) THE
STATEMENT CLEARLY INDICATES, AND WE WISH TO STRESS TO
GOP, THAT UNDER ARTICLE 3 OF THE AGREEMENT THE DISTRIBUTION
OF THE PROCEEDS IS SOLELY THE RESPONSIBILITY OF THE
US GOVERNMENT; (D) WE REALIZE THAT GOP OFFICIALS WILL NOT

BE ABLE TO INDICATE PUBLICLY THAT THEY UNDERSTOOD PART OF
PROCEEDS WOULD BE DISTRIBUTED TO IPC, HOWEVER, WE WOULD
HOPE THAT GOP STATEMENTS WOULD BE MODERATE IN TONE AND
THAT THEY WOULD ALSO STRESS FACT THAT UNDER ARTICLE 3 OF
AGREEMENT DISTRIBUTION IS RESPONSIBILITY OF USG RATHER
THAN GOP. KISSINGER

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*** Current Handling Restrictions *** EXDIS

*** Current Classification *** CONFIDENTIAL

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